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FY-75 KEP PERFORMANCE REPORT

FEB 1976

I. INTRODUCTION

This report presents an analysis of evaluations of the IC's performance with respect to the FY-1975 Key Intelligence Questions (KIQs).¹ It examines evaluations of Community performance against each KIQ, the scope and cost of Community collection and production efforts related to addressing KIQs, and assesses the Key Intelligence Question Evaluation Process (KEP) methodology which evaluates Community performance.

The Key Intelligence Questions are issued annually as guidance to the Intelligence Community for the collection and production of intelligence on subjects of major importance to national-level consumers during the ensuing year. Key Intelligence Questions do not address the full spectrum of consumer needs. Additional important categories of intelligence collection and production not included in this priority national intelligence guidance encompasses: lower priority national intelligence subjects, and departmental and tactical intelligence.

KIQs are intended to insure that the subjects are given priority in the regular collection and production activities of appropriate elements of the IC; to enable review of collection and production planning by the member agencies of the IC; to provide the basis for a recapitulation and evaluation, at the close of the FY, of the performance of the IC--and individual agencies--on each KIQ; with the objective that conclusions drawn from such recapitulations and evaluations be used as factors in Community resource allocations.

In developing the FY-75 KIQs, NIOs were asked to bear in mind the DCI's FY-75 Substantive Objectives for the Community and to consider DIA's Critical Near-Term Defense Intelligence Objectives as a basic input for military-related KIQs.² These instructions also reflected the DCI's desire that the number of KIQs be limited to focus clearly upon a single subject.

¹ Annex A lists FY-75 KIQs, and DCI's FY-75 Substantive Objectives to which they pertain.

² Memo dated 5/29/74, Subject: The KIQ-KEP Program for FY 1975.

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Recognizing that the KIQ is designed to communicate current priority needs, there was a tendency to include as many aspects of the worldwide intelligence problem in the KIQ list as possible. While more subjects can be included in each KIQ by developing more generalized and inclusive statements, this tends to make the list less exclusive and widens the gap between the implicit relative importance of the KIQs themselves. Since KIQs are to communicate priority needs for tasking and evaluation of performance, the number of KIQs must be controlled. Each must be meaningfully selective (and unambiguous) with respect to geography and topic. Because KIQs tend toward the General, and because of the conceptual absence of judgments on the relative values of individual KIQs, it is essential that clear, precise collection and production objectives be set forth as the basis for development of Community collection and production plans (strategies).

The Key Intelligence Question Evaluation Process (KEP) was designed to be a simple, iterative process to evaluate Community performance. Structurally uncomplicated, yet containing enough data to support a meaningful evaluation of Community performance, the KEP provides a substantive foundation for USIB/IRAC discussions concerning the utilization of NFIP resources. In particular, KEP results are intended to improve the process by which USIB/IRAC principals become informed on resource matters by providing information on the relative effectiveness and cost of Community performance in answering the KIQs. Thus, the KEP informs program managers about resource expenditures on KIQs, rather than providing a vehicle for making resource allocation decisions. Its design recognizes the complex processes that enter into formulation of individual NFI programs, and the difficulty in devising resource allocation procedures.

To have a positive impact on resource deliberations, the KEP must, to some extent, be an audit process which enables the summing of KIQ and non-KIQ efforts by program. Presently, the KEP consists of a review of the status of knowledge on each KIQ and the formulation of collection and production objectives; the development of a Community collection and production strategy to answer the question; the assessment of Community performance of the tasks reflected in individual KIQ strategies; and identification of the costs associated with KIQ activities at the KIQ level. The principal features of the KEP are:

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- The formulation of collection and production and the development of Community collection and production strategies for each KIQ;
- the acceptance of responsibility by individual agencies to collect or produce on individual KIQs;
- the linking of the resources expended to the information gained; and
- the assessment of consumer satisfaction with the intelligence produced.

In developing KEP procedures it was necessary to strike a balance between being overly precise, and being too general in acquiring cost data. At one extreme, too much precision would be misleading in light of the credibility of obtainable data. At the other extreme, overly general and unsystematized cost data would not be helpful as it would inhibit comparing and contrasting Community performance among KIQs and NFI programs.

In defining the KEP, two general approaches were considered to acquire necessary cost data. One was a unique, highly-structured accounting methodology providing precise data that would have a heavy management burden and which, in all probability, would produce data far too precise for KEP's intended purpose. The other, based on CIRIS, was a less precisely structured methodology--which, while it will never be suitable for direct use in resource allocation decisions--provides cost data which could be used in Community resource deliberations. The second, more generalized approach, was selected because:

- KIQs do not encompass the full range of Community activities;
- KEP is an information mechanism, not a resources allocation system;
- fewer management resources would be required; and
- recently changed procedures for obtaining CIRIS* data make credible resource data readily available.

* Consolidated Intelligence Resources Information System--operated and managed by the ICS to identify and display the expected distribution of intelligence resources in official programs and budgets.

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The FY-75 KEP Program began on 12 August 1974 with the circulation of NSCIC-approved Key Intelligence Questions for Fiscal Year 1975. Guidance and Instruction for Performance Reporting³ and a Listing of FY-75 KIQ Objectives jointly developed by the NIOs and ICS were distributed to the IC on 9 and 30 June 1975, respectively.⁴

On 1 July the FY-75 KIQ performance period ended; performance assessments and collection and production performance data required by performance reporting instruction were requested by 1 August. When the data acquisition phase of the evaluation program closed on 5 November, Performance Assessments Reports on 62 of the 69 FY-75 KIOs had been received, the last on

In assessing performance, NIOs evaluated Community and individual agency performance on each KIQ (and on the collection/production objectives identified in KIQ Strategies). The relative contribution each collection method made to the information gain on the KIQ was also assessed.

Production elements of the Community--CIA (DDI and DDS&T), State (INR), and Defense (DIA)--provided the full range of production performance data required by the KEP (production organizations, products, costs, and problems), through a series of incremental inputs, the last of which was received on 23 October from DIA.

Collection performance data was obtained by the appropriate USIB collection committees--SIGINT, COMIREX and Human Resources--from IC program managers. In content, this data paralleled that provided by producers, identifying collectors and collection efforts, costs and collection problems. The final input of this data--information on processing costs was received from CIA/OEL on 23 October.

³ USIB/IRAC-D-22.1/38 dated 9 June 1975.

⁴ Annex B, USIB/IRAC-D-22.1/40 dated 30 June 1975, lists KIQ objectives identified in FY-75 KIQ strategies.

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necessitating the even more difficult task of postulating Soviet perceptions of their options and success expectations--the Community needs to know what is required with enough specificity to enable program managers to make meaningful commitments with respect to the objectives and tasks which should be attempted if the KIQ is to be answered. It is not sufficient for a strategy to indicate merely that producers will produce, and collectors will collect in accordance with their capabilities and extant tasking. Without specificity and precision at the beginning of the year, the ability to identify accomplishments and establish a creditable relationship among outcome, performance, priorities and resources at the end of a performance period will be constrained to the precision and explicitness of the least precise strategy.

On the whole NIO assessments of IC performance on FY-75 KIQs were carefully drawn. Individual assessments show considerable variation in completeness. In some instances narratives are inconsistent with quantitative judgments set forth in assessment annexes. In many cases, assessments make little, or no reference to the collection and production strategies which initiated the performance being assessed. Performance reports in some cases did not address collection and production objectives cited in the Strategies.

Performance reports on KIQs relating to Soviet policy and intentions (Substantive Objective I); and Western Europe (Substantive Objective V) do not address IC performance and collector contributions with respect to the specific production and collection objectives set forth in pertinent strategy reports. Assessments of Community performance on Latin American KIQs (also Substantive Objective IV), while carefully drawn, use language that makes it difficult to determine differences in Community achievements on the six KIQs involved. These inconsistencies and discrepancies inhibit comparison of performance among KIQs with collectors/producers, and makes more difficult the task of relating outcome and performance to resource expenditures.

- Community production agencies provided detailed production performance data for full range of information required by performance reporting instructions. Despite the detailed nature of the production performance data provided by IC production authorities, it has been extremely difficult--almost impossible--to measure Community production performance given the differences in approach, precision of expression

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and level of detail in production strategies; NIO focus on interagency production (in some instances virtually ignoring departmental/agency production); and the inherent difficulty of identifying and quantifying KIQ-related current intelligence efforts. These difficulties, compounded in inconsistencies and ambiguities in reporting KIQ-associated activities and products pertinent to more than a single KIQ, could not be overcome. Analysis of FY-75 KIQ performance, therefore, does not explicitly consider individual departmental or agency products in assessing KIQ achievements.

• Among collectors, KEP collection data requirements had the greatest impact on the CCP and NRP because of the magnitude of the resources involved, and the universality of their application to KIQs. It is instructive to note the problem as seen by NSA. --

"...KEP instructions posed three distinct categories of problems:

a. We were asked to measure the unmeasurable-- KIQs deal with the subject content of products; our program costs are oriented toward collection targets which can contribute directly, or indirectly by interpretation to a wide variety of KIQ subjects.

b. We were asked to cost KIQs at the CIRIS Reporting Entity level--the type of information sought by station is almost entirely judgmental and the background required to render the judgments rests with the sub-elements of NSA's management structure.

c. Workload--which warranted computer application.

The following assumptions were the basis for KIQ costing:

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